

**CONFIDENTIAL****ROUTING AND RECORD SHEET****SUBJECT:** (Optional)**FROM:** Allen R. Elkins  
Director of Finance  
1212 Key Bldg.**EXTENSION****NO.**

DD/A Registry

86-1382x

**DATE**

8 August 1986

**TO:** (Officer designation, room number, and building)**DATE****RECEIVED****FORWARDED****OFFICER'S INITIALS****COMMENTS** (Number each comment to show from whom to whom. Draw a line across column after each comment.)1. ADDA  
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*Bill*

Appropo of my comments earlier re our efforts to implement the new retirement system, the attached paper by [redacted] sheds some additional light on the problems we are facing.

FORM 1-79 **610** USE PREVIOUS EDITIONS**CONFIDENTIAL**

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Memorandum For: Chairman, Policy Group, New Retirement Programs

From: 

OF Member

Subject: Retirement Administration

Last Friday's Policy Group Meeting proved very useful, not only for the insights it gave me, a new arrival to the effort, but more importantly for the update it enabled me to provide OF management on the status of the implementing efforts for the "new retirement programs". What follows are several key points which OF management surfaced in discussing the working group paper which you handed out at Friday's meeting - all points basically revolve around resources.

- o There appears to be insufficient resources currently allocated to the effort. This appears especially true for OIT resources. While resources, dollars and positions, have been requested for FY 88, resources appear critically needed now to identify requirements, assess commercially available automated systems, and make whatever shortterm changes to current automated systems are needed if our goal is an effective and efficient January 87 implementation.

Since OP, OF and OIT are all currently suffering from an insufficiency of staff systems analysts, a solution to the current resource dilemma lies in utilizing contracted resources currently available to OIT and OF either through diversion from other efforts or better yet through add-ons to these efforts. The Price Waterhouse effort in support of the development of new payrolling is a case in point.

- o Current Working Group proposals seemingly based on assumed restricted resources are relying heavily if not entirely on interim manual processing techniques as the basis for January implementation. While personnel authorization increases for OF and OP have been requested for FY 88 and the Comptroller, if requested, would probably allow hiring against these authorizations now; given the near insurmountable difficulties OF, OIT and OP have been experiencing in getting staff employees on board, there seems little likelihood that these resources would be available in adequate numbers to meet the demands of the extensive manual processing proposed for a January 1987 "full" implementation. While OP and OIT may have some flexibility in diverting resources from other functions, OF with a current personnel shortage  would find this nearly impossible.

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- o Driven by shortterm resource assumptions the Working Group is proposing that separate systems/processes currently available ie., the PAYCIARDS system and the OP/RD process, serve as the basis for the long term (18 month) implementation of the new retirement responsibility. With the difficulties inherent in the separateness of these systems/processes today, perpetuation, even for a year and a half, runs contrary to current "corporate data base" thinking as well as desires to bring the personnel administration and payment processes more closely together.

The resource issues cited above are clearly linked to the ability of the Agency to fully implement these new programs in January. In several areas especially the payment of annuities, the Agency has the discretion of continuing to rely on currently available OPM processes beyond the January 87 timeframe.

Resources, the discretion to defer - with its obvious "political" implications, and the scarcity of timely information from OPM and the yet to be formed Thrift Board/Administration, all are key issues which the Policy Group must officially surface to Agency Management now. May we meet on this as soon as possible?

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ON: August 7, 1986 AT: 9:22 AM \*\*\*

Note To: Linda, Carolyn, Stan

Ive appended a draft note re retirement "issues". Can I have your reactions/suggestions please?

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